



Payment Error Rate Measurement Program  
c/o The Lewin Group  
CMS Statistical Contractor  
3130 Fairview Park Dr.  
Falls Church, VA 22042

CMS selected The Lewin Group as the statistical contractor for the FY2007 PERM program. Lewin has gained expertise in the PERM program through our work with CMS and many state Medicaid and State Children's Health Insurance Program (SCHIP) programs since 2001 to pilot test various methodologies to measure payment error in these programs and to implement the FY2006 PERM measurement in Medicaid fee-for-service (FFS) in 17 states.

As the statistical contractor, Lewin's primary responsibilities are to:

- Review each state's eligibility sampling plan and work with the state if necessary to achieve an approvable plan.
- Sample FFS line items and managed care capitation payments on a quarterly basis, which is done through four steps:
  - Determine the sample size of line items/capitation payments that will be annually reviewed for each state,
  - Determine the number of line items/capitation payments to be sampled for each quarterly time period,
  - Select a random sample of line items/payments per quarter for review from each state,
  - Send the sample to the state to obtain additional details (e.g., adjustments), if necessary
- Collect error rates from the states (for eligibility) and error findings from the review contractor (for claims/capitation payments), and
- Calculate each state's Medicaid and SCHIP program error rates using findings from the medical reviews, processing reviews, and eligibility reviews and calculate a national error rate for Medicaid and SCHIP for FY2007 based on the states' error rates.

#### Timeline for FFS and Managed Care Claims Submission

The FY2007 cycle is expected to take approximately two years, with the sampling activities concentrated between October 2006 and December 2007 and the error rate calculation occurring at the end of the review cycle (summer 2008). Below is a summary of state interaction with the statistical contractor over the next 15 months; the documentation/database contractor and review contractor will be working with the states on their own timelines which will overlap somewhat with the SC timeline.

### Timeline of State/Statistical Contractor Data Transfers

October 2006	Conference calls on Medicaid and SCHIP FFS and managed care with the 17 FY 07 States Individual state calls
November 2006	Send advance instructions on FFS and managed care claims submission to state, follow-up calls as necessary State submits eligibility sampling plan, Lewin reviews
December 2006	Send state official instructions on FFS and managed care claims submission State submits summary program FY2006 data (at state option)
January 15, 2007	State submits Q1 (Oct-Dec) FFS and managed care payment universes for Medicaid and SCHIP
February 2007	Lewin selects FFS and managed care samples Lewin returns FFS Q1 samples to state for details, adjustments
March 2007	State returns FFS details and adjustments on Q1 samples
April 15, 2007	State submits Q2 (Jan-Mar) FFS and managed care payment universes for Medicaid and SCHIP
May 2007	Lewin selects FFS and managed care samples Lewin returns FFS Q2 samples to state for details, adjustments
June 2007	State returns FFS details and adjustments on Q2 samples
July 15, 2007	State submits Q3 (Apr-Jun) FFS and managed care payment universes for Medicaid and SCHIP
August 2007	Lewin selects FFS and managed care samples Lewin returns FFS Q3 samples to state for details, adjustments
September 2007	State returns FFS details and adjustments on Q3 samples
October 15, 2007	State submits Q4 (Jul-Sep) FFS and managed care payment universes for Medicaid and SCHIP
November 2007	Lewin selects FFS and managed care samples Lewin returns FFS Q4 samples to state for details, adjustments
December 2007	State returns FFS details and adjustments on Q4 samples

Lewin will circulate to the PERM contact person in each state an advance copy of the instructions for submitting data for the FFS and managed care universes in early November (to provide states with more time to familiarize themselves with the process) and official instructions in December.

The instructions will outline the process and formats for states to submit the data to Lewin, including:

- Overview of FFS and managed care sampling approach
- Claims/payments to be included in the universe
- Steps to conduct a quality control check on the universe
- Stratification approach
- Data submission options and timeframes
- Other data and documentation requested from the states to support the sample selection , as necessary

As Lewin has extensive experience working with state claims data and capitation payment approaches, our technical staff will be available to states throughout the process to answer questions, provide guidance, and resolve technical issues. Lewin staff are accessible through a central email inbox, to which all project staff have access and check daily:

permsc.2007@lewin.com. Please send questions to this address and we will route them to the appropriate person, who will follow up by phone or email. We will also be available to consult by phone as necessary (please contact Moira Forbes at 703-269-5631). We will work with each selected state to develop the data submission and sampling approach that works best for that state, taking into account the state's unique circumstances, resources, and systems capability to achieve the universe and sample data needed to achieve the purposes of the PERM program.

### State preparation

The PERM fee-for-service and managed care instructions require states to submit data from a variety of sources and programs that may not be typically aggregated for other reporting purposes. Although we will go over the requirements in more detail during the group and individual state calls, we suggest that states begin to think about and identify the potential data sources and staff that will need to be coordinated in order to respond to the PERM data request. Among the things you may need to consider are:

1. The range of title XIX and title XXI programs in the state that makes beneficiary-specific payments. Programs may include:
  - Medicaid and SCHIP fee-for-service
  - Primary care case management programs
  - Partially capitated administrative health plans
  - Partially capitated medical health plans
  - Fully capitated health plans
  - Waiver programs

2. Sources for all beneficiary-specific Title XIX and XXI medical payments that may be included in the quarterly universe data. Data sources may include:
  - MMIS or third party administrator
  - Other vendors (e.g., pharmacy benefit manager)
  - Other state agencies that pay claims (e.g., mental health/substance abuse, department of education)
  - Departments that handle some payments manually (e.g., capitation payments, HIPP payments, Medicare Part A and Part B premiums)

## PERM FY2007 Contact Form: Medicaid

Please complete and return via email (permisc.2007@lewin.com) or fax (703-269-5705). It is important to assign a primary and secondary contact person who can be available throughout the course of the measurement process.

State: \_\_\_\_\_

Fee-for-service

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

Managed care

Same as above \_\_\_\_\_

Not applicable \_\_\_\_\_

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

Eligibility (for PERM)

Same as above \_\_\_\_\_

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

## PERM FY2007 Contact Form: SCHIP/Medicaid Expansion

Please complete and return via email (permsc.2007@lewin.com) or fax (703-269-5705). It is important to assign a primary and secondary contact person who can be available throughout the course of the measurement process.

State: \_\_\_\_\_

This state also has a standalone SCHIP program Y/N \_\_\_\_

Fee-for-service

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

Managed care

Same as above \_\_\_\_

Not applicable \_\_\_\_

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

Eligibility (for PERM)

Same as above \_\_\_\_

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

## PERM FY2007 Contact Form: SCHIP/Standalone

Please complete and return via email (permisc.2007@lewin.com) or fax (703-269-5705). It is important to assign a primary and secondary contact person who can be available throughout the course of the measurement process.

State: \_\_\_\_\_ This state also has a Medicaid expansion SCHIP program Y/N \_\_\_\_

### Fee-for-service

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

Managed care      Same as above \_\_\_\_\_      Not applicable \_\_\_\_\_

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

Eligibility (for PERM)      Same as above \_\_\_\_\_

	Name	Title	Phone	Fax	Email	Mailing address
Project Manager						
Secondary Contact						
Technical Lead						

